

*City of Alexandria, Virginia*

**MEMORANDUM**

**DATE:** SEPTEMBER 7, 2001

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** PHILIP SUNDERLAND, CITY MANAGER *PS*

**SUBJECT:** CONSIDERATION OF RECOMMENDATIONS RELATED TO THE REDEVELOPMENT OF SAMUEL MADDEN HOMES (DOWNTOWN)

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**ISSUE:** Next steps in the redevelopment planning process for Samuel Madden Homes (Downtown).

**RECOMMENDATION:** That City Council approve the following terms and conditions related to the redevelopment of the 100 public housing units of the Alexandria Redevelopment and Housing Authority ("ARHA") Samuel Madden Homes (Downtown) ("SMHD"). Many of these terms and conditions would be included in the Developer Request for Qualifications ("RFQ") solicitation that ARHA will issue in the future in order to solicit developer redevelopment proposals for SMHD, and others would guide the redevelopment process, as well as the process to acquire or develop off-site replacement units. This recommended Council approval regarding RFQ terms is not intended to (nor could it) commit Council to any action on future land use applications regarding the SMHD site. Rather, it is intended to provide Council's approval of the placement of certain terms and conditions relating to the redevelopment of the SMHD site in the RFQ that will be issued by ARHA.

1. The following elements will be included in the RFQ for the on-site redevelopment of SMHD:
  - A. Project to contain no more than 170 residential units on-site. This density would require a rezoning to a zoning category which would allow this density.
  - B. Preference to be given to proposals that provide greater density on the north block.
  - C. 52 public housing units to be located on-site with 26 of the units to be two-bedroom units and 26 of the units to be three-bedroom units.
  - D. On-site public housing units to be proportionately distributed throughout the site, including by unit type and location.

- E. Minimum size of 52 public housing units to be 1,000 square feet for a two-bedroom unit and 1,250 square feet for a three-bedroom unit.
  - F. Adherence to applicable City parking requirements and standards.
  - G. On-site parking generally to be allocated equally, by unit type as well as among both market rate and public housing units.
  - H. Adherence to City open space (provision of usable ground level open space) requirements in the City's Zoning Ordinance and standards applied to other residential site plans.
  - I. Adherence to Old Town North Design Guidelines for both blocks.
2. The RFQ will be drafted by ARHA staff with City staff assistance. Since the City contemplates providing substantial funding for the off-site replacement units, before it is issued by ARHA the RFQ will be agreed to by the joint City-ARHA Work Group. (As a document related to the sale and acquisition of real property, the RFQ will be handled confidentially and will not be a public document until issued by ARHA.)
  3. The City and ARHA will jointly agree on specific locations and associated densities for the 48 off-site replacement public housing units (24 two-bedroom units and 24 three-bedroom units) with the same minimum size requirements as the SMHD redevelopment (See 1-E above). In addition:
    - A. Efforts to acquire and to plan for the necessary off-site units would begin immediately and would parallel the RFQ process for the SMHD redevelopment.
    - B. The City would assist ARHA with the funds necessary to acquire the off-site replacement units. This assistance could take the form of loans or grants in amounts to be determined.
    - C. ARHA and the City would work jointly in the consideration and acquisition of the necessary parcels for the 48 off-site units. All acquisitions and the development budgets for the off-site units would require the City's concurrence.
    - D. Off-site replacement units, in addition to new construction, could include the acquisition of one or more existing multi-family rental buildings.
  4. A Family Investment Center will be planned for in the redevelopment process. The goal is to fund rent, for a five-year term, for Family Investment Center space at a location close to the SMHD site and accessible to public transportation. The square footage (now estimated at 3,500 to 4,000 square feet) would be determined based on a space program to be developed by ARHA and the City, as well as by space availability in the commercial rental market.

5. The City and ARHA recognize that it is likely that a funding shortfall for the total 100 public housing units (52 units on-site and 48 units off-site) will occur, and the City recognizes that its financial resources will be needed to close the shortfall.
  - A. The City will grant funds to ARHA to cover the shortfall subject to the terms, conditions and amounts that would be negotiated between the City and ARHA.
  - B. The City may loan funds to ARHA to provide for construction financing in order to leverage tax credit equity.
  - C. Without more specificity as to plans and costs, the City cannot commit to funding an unknown shortfall, regardless of its ultimate level. The City will meet a shortfall of up to \$3.5 million, but if the shortfall is higher than this, the City and ARHA would have to engage in further discussions on the City providing more funds. Because of these unknowns, it is important that the City and ARHA agree:
    1. that every effort will be made to maximize the amount of HOPE VI funds available for the off-site units; and
    2. that in determining the type of off-site units to be provided beyond those that can be located at the Braddock/Radford and South Reynolds sites, thorough consideration will be given to the most cost effective off-site housing options, including the acquisition of small multi-family apartment buildings.
6. The City and ARHA will fully cooperate and coordinate their activities and actions with each other such as in the application for and the implementation of Low Income Housing Tax Credits, the HUD HOPE VI Revitalization Plan process, as well as other City, state or federal processes and requirements.
7. The City and ARHA would work together to develop multi-year operating budget projections for the 52 on-site units and the 48 off-site units. The City will provide real estate tax relief, or an equivalent financial benefit, if any of the 52 on-site replacement public housing units become liable for City real property taxes and the long-term financial viability of the units requires such relief or benefit.
8. In the area of affordable home ownership, the City and ARHA should continue to discuss options and opportunities in providing some affordable home ownership.

**BACKGROUND:** The redevelopment of the SMHD started with community discussion in 1989, culminating in an announcement in June 1993 of intent-to-develop plans by ARHA "to create a new community of public and private housing." Subsequently, there were meetings with City Council and the establishment by ARHA of a task force and the hiring of the EDAW consulting firm. EDAW issued a feasibility report on the redevelopment of SMHD. The EDAW report included a 210 unit plan to be constructed on the site's two blocks, including 52 units (25% of

total units and a majority of the 100 current public housing units on the site) of ARHA replacement public housing, with the balance of the units (158) being market-rate sale units. The other 48 units of public housing were contemplated to be relocated in other parts of the City. During early 1996, the first joint City-ARHA Work Group was created.

In September 1996, ARHA issued an RFP aimed at soliciting development proposals from private development firms by the end of December 1996. Prior to the RFP issuance process, as well as afterwards, the issue of the tenants' "right-of-first-refusal" to purchase the SMHD property under federal regulations was raised, as well as the issue of which tenants (the tenants in all of ARHA's units City-wide, or the tenants of Samuel Madden Homes Downtown) had the "right-of-first-refusal." In March 1997, the City-wide tenant's group, the Alexandria Residents Council (ARC), filed a complaint in federal court stating that it was the group entitled to be recognized.

Litigation on the right-of-first-refusal and other issues continued for over three years, with ARC being recognized by the federal courts as the tenant entity. In late 1999, the federal district court in Alexandria required ARHA to negotiate with ARC and the developer that ARC had decided to partner with (Telesis, Inc.). ARC-Telesis proposed a 180 unit development, then subsequently a 177 unit development plan.

During this litigation period, ARHA had selected the "North Village" Madison Homes, Inc. development proposal as the top submission of the proposals it received in response to its RFP. However, ARHA could not begin negotiating with North Village due to the federal court litigation. From late 1999 until mid 2000, ARHA unsuccessfully sought to reach a redevelopment agreement with the ARC-Telesis, Inc. team. This included meeting with the City to discuss density and other land use issues. In the summer of 2000, the federal district court's decision mandating that ARHA negotiate and sign an agreement with the ARC-Telesis, Inc. team was overturned by the U.S. Fourth Circuit Court of Appeals (later affirmed in the fall of 2000 by a U.S. Supreme Court decision not to hear the case). As a result, in the fall of 2000, ARHA began negotiations with the North Village development team, led by the housing development firm Madison Homes, Inc.

Over a seven-month period, ARHA and Madison Homes started to negotiate an entire array of real estate issues, including the financial terms and conditions of the redevelopment by Madison of SMHD and the terms of the sale of the 52 on-site public housing units to ARHA. ARHA and Madison Homes also met with City staff a number of times to discuss the City's density and land use concerns over the Madison Homes 198 unit proposal. On March 27, 2001, Madison Homes wrote to ARHA that it was withdrawing from further negotiations.

**DISCUSSION:** In late April 2001, a joint City-ARHA Work Group was created to address the new course of action for the Samuel Madden redevelopment process. Over the past few months, the City-ARHA Work Group has addressed a number of issues, including the density of the on-site redevelopment, the number of on-site public housing units, parking concerns, open space, the off-site locations, finances and redevelopment processes. The Work Group formally adopted positions on some of the issues, and these positions are reflected in Recommendations 1-A, B, C,

F, H and I. The remaining Recommendations in this docket item either represent the general outcome of discussions by the Work Group or relate to issues which ARHA has asked to be addressed by City Council in its letter of August 30, 2001 (Attachment I). The outline of Recommendations listed below is structured to follow (in the same order) the outline of the issues in the ARHA letter. However, in many of the Recommendations the wording and details vary from the ARHA letter in order to clarify the issue raised, or to balance City and ARHA interests. The ARHA letter did not address issue 8 (affordable home ownership).

**1. The following elements will be included in the RFQ for the on-site redevelopment of SMHD:**

- A. Project to contain no more than 170 residential units on-site. This density would require a rezoning to a zoning category which would allow this density.**

The SMHD site is comprised of two City blocks located between North Pitt and North Royal Streets (east-west boundaries) and Princess and Pendleton Streets (north-south boundaries). The site currently has 100 public housing units which were constructed in 1945 and which are some of the oldest public housing stock managed and maintained by ARHA. The site is currently zoned RM, which allows 30 units per acre. For the four acres that comprise the two blocks, 120 residential units would be permitted under existing zoning.

The existing zoning has long been recognized by ARHA and the City as likely needing to be changed to permit a greater number of units per acre. How much greater has been the subject of much debate. The total number of units for these four acres in the debate have varied widely from as high as 210 units (EDAW study), to 198 units (North Village), to 180 or 177 units (ARC/Telesis), to 120 units (proposal from some of the neighbors). Over the last few months, the City-ARHA Work Group has looked at various design alternatives presented by the City Planning and Zoning staff, considered the benefits and drawbacks of the various alternatives, and has recommended that the RFQ include text that indicates that development proposals submitted by prospective developers should contain no more than 170 units. A hypothetical site plan for a 170 unit development has been prepared by City Planning and Zoning staff (Attachment II).

As noted earlier, City Council adoption of these recommendations does not prejudice the outcome of any future Council or Planning Commission action on any rezoning or redevelopment site plan application.

**B. Preference to be given to proposals that provide greater density on the north block.**

It is recommended that preference be given to proposals that provide greater density in the north block compatible with adjacent developments. This is because the two SMHD blocks are in a transition area, where there are lower single townhouse densities and scale adjacent to the south block and higher densities and scale (such as the Annie B. Rose and Ladrey high rises, the WMATA bus garage [which the City has long desired to be relocated], Alexandria House, and Portner's Landing) to the north of the SMHD north block.

**C. 52 public housing units to be located on-site with 26 of the units to be two-bedroom units and 26 of the units to be three-bedroom units.**

One of the key requirements of ARHA during the redevelopment planning process has been that 52 public housing units would be constructed within the redeveloped SMHD site. This represents a majority of the units currently on the site. The City-ARHA Work Group recommended that the 52 units be established as an RFQ requirement. In reviewing options and discussing the experience and opinions of developers and other HOPE VI projects (most all rental projects), the Work Group felt that a 30.5% public housing unit to 69.5% market rate ownership (i.e., 52 public housing units and 118 market rate units for a total of 170 units) was an income mix that would work both in the initial sale and in the subsequent occupancy period. The even mix of two- and three-bedroom units allows ARHA to serve different family sizes, especially families with children.

**D. Public housing units to be proportionately distributed throughout the site, including by unit type and location.**

A general principle of current public housing redevelopment when HOPE VI funds are involved is the development of mixed income communities. In addition, HUD requires that, in a mixed income development, the low income units (in this case public housing units) should be dispersed throughout the site and not concentrated in one area.

**E. Minimum size of 52 public housing units to be 1,000 square feet for a two-bedroom unit and 1,250 square feet for a three-bedroom unit.**

These are the unit sizes planned for two and three-bedroom units, and are consistent with City and ARHA discussions that preceded (and were included in) the RFP that ARHA issued in 1996 for the SMHD redevelopment.

**F. Adherence to applicable City parking requirements and standards.**

One of the key issues in any development proposal, particularly development proposals in Alexandria, is the provision of an adequate level of parking and potential impacts on the adjacent neighborhoods. For the redevelopment of SMHD, the parking issue is not much different than in most residential developments, as both public housing residents and the market unit residents have similar parking needs. As a result, the City's parking requirements and standards, including those related to tandem and compact spaces, that are applied to other residential development will also be applied to the SMHD redevelopment. Specific minimum townhouse and stacked townhouse garage dimensions will also need to be designed to ensure that a two-car garage can adequately accommodate two cars and miscellaneous storage (given the space needs of larger cars and SUVs, as well as the propensity for persons to use part of their garage for storage). Some underground parking may be needed to satisfy the parking requirements for a 170-unit development on the SMHD site.

**G. On-site parking generally to be allocated equally, by unit type as well as among both market rate and public housing units.**

As stated in section "F" above, the parking needs of public housing residents are similar to that of the market rate units so the parking should be made equally available based on unit types.

**H. Adherence to City open space (provision of usable ground level open space) requirements in the City's Zoning Ordinance and standards applied to other residential site plans.**

Another key issue in the development of any residential property is the amount, location and quality of the open space provided in a new development. In particular, based upon the typical residential demographics in Old Town, the SMHD public housing units in the new development will have more children than is typically the case for similar units in Old Town. As a result, the provision of adequate ground level open space for use of all residents, including active recreational use for children of public housing units, is important. In reviewing the SMHD site development options and the City's practices and standards, City staff has determined that having 25% usable ground level open space standard for each block, or the applicable requirement within the future zones, whichever is greater, is recommended.

**I. Adherence to Old Town North Design Guidelines for both blocks.**

Technically, the Old Town North Design Guidelines apply only to the north SMHD block and not the south block. However, in the various planning discussions both ARHA and the City agree that having the same guidelines apply to both blocks will provide for a more uniform and consistent development. It should be noted that neither of the two blocks is in the Old and Historic District and therefore, those District requirements do not apply. However, both the City and ARHA have long recognized (as would a developer) that having a project that is architecturally compatible with its surrounding neighborhood is one of the keys to a successful development and here is important to the long term viability of the SMHD redevelopment project.

2. **The RFQ will be drafted by ARHA staff with City staff assistance. Since the City contemplates providing substantial funding for the off-site replacement units, before it is issued by ARHA the RFQ will be agreed to by the joint City-ARHA Work Group. (As a document related to the sale and acquisition or real property, the RFQ will be handled confidentially and will not be a public document until issued by ARHA.)**

Because the City will ultimately have to provide significant funds to close the funding gap to achieve the goal of providing 52 on-site and 48 off-site replacement units, it is appropriate that the RFQ that is issued be a document which has City and ARHA joint agreement. The best way to achieve that is to have the City-ARHA Work Group continue to remain active and to serve as the forum to achieve this desired joint agreement.

3. **The City and ARHA will jointly agree to specific locations and associated densities for the 48 off-site replacement public housing units (24 two-bedroom units and 24 three-bedroom units) with the same minimum size requirements as the SMHD redevelopment (See 1-E above). In addition:**
  - A. **Efforts to acquire and to plan for the necessary off-site units would begin immediately and would parallel the RFQ process for the SMHD redevelopment.**
  - B. **The City would assist ARHA with the funds necessary to acquire the off-site replacement units. This assistance could take the form of loans or grants in amounts to be determined.**
  - C. **ARHA and the City would work jointly in the consideration and acquisition of the necessary parcels for the 48 off-site units. All acquisitions and the development budgets of off-site units would require the City's concurrence.**

- D. Off-site replacement units, in addition to new construction, could include the acquisition of one or more existing multi-family rental buildings.**

As part of the redevelopment of the SMHD site, it has been contemplated for some time that the number of public housing units that were not constructed on the SMHD site would be relocated elsewhere in the City. This is consistent with City Council Resolution 830. Hence if the on-site development will have 52 public housing units (see 1-C above), then there will be a need for 48 off-site units. During its deliberations, the City-ARHA Work Group discussed off-site options extensively. The off-site options included sites previously identified in joint City-ARHA discussions (Radford and Braddock Road and adjacent to existing ARHA units, and 423 South Reynolds Street, previously purchased by the City for future use by ARHA), other vacant parcels in the City that are privately owned and possibly suitable for townhouse type construction, and sites containing one or more small multi-family apartment buildings. This last option, even if it involves some renovation costs, is attractive as it is less expensive than purchasing vacant land and then constructing new units. It also adds to the number of locations that the City and ARHA can consider in relocating the 48 units. It is estimated that a new unit would cost some \$200,000 for land and construction, while a multi-family apartment unit would cost about \$110,000 to purchase and renovate.

It appears likely from projections provided by ARHA's financial consultants that ARHA will retain some funds from the sale of the SMHD's two blocks after its purchase of 52 units from that developer (providing 9% federal tax credits are available). However, it also appears that these funds, together with available federal HUD HOPE VI funds, will not be sufficient to finance the development or purchase/renovation of 48 units off-site. As a result, City financial participation in the form of grants to ARHA of at least \$1 million will be necessary. Potentially that figure could rise significantly more (to as much as \$3 million to \$5 million, or even more), if tax credits are not fully available for the on-site units, or if off-site construction and land costs make the off-site units more expensive than currently projected.

- 4. A Family Investment Center will be planned for in the redevelopment process. The goal is to fund rent, for a five-year term Family Investment Center space at a location close to the SMHD site and accessible to public transportation. The square footage (now estimated at 3,500 to 4,000 square feet) would be determined based on a space program to be developed by ARHA and the City, as well as by space availability in the commercial rental market.**

As part of the HOPE VI grant requirements, ARHA is required to provide certain social services and job training opportunities for its residents. In order to do that, ARHA has been seeking to obtain a facility (or to have the SMHD developer

provide a facility) to provide these services and training. The name of this facility has been labeled a "Family Investment Center." Given the tight nature of project finances and the inadequacy of the federal HOPE VI grant to cover all of the project's needs, it is recommended that a Family Investment Center be located in rental property rather than acquired. However, at this time, given that a space plan needs to be worked out, a site meeting the location and transportation requirements stated above needs to be located, it is premature to specify the size of the center. ARHA believes 3,500 to 4,000 square feet is an approximate size.

5. **The City and ARHA recognize that it is likely that a funding shortfall for the total 100 public housing units (52 units on-site and 48 units off-site) will occur, and the City recognizes that its financial resources will be needed to close the shortfall.**
  - A. **The City will grant funds to ARHA to cover the shortfall subject to the terms, conditions and amounts that would be negotiated between the City and ARHA.**
  - B. **The City may loan funds to ARHA to provide for construction financing in order to leverage tax credit equity.**
  - C. **Without more specificity as to plans and costs, the City cannot commit to funding an unknown shortfall, regardless of its ultimate level. The City will meet a shortfall of up to \$3.5 million, but if the shortfall falls higher than this, the City and ARHA would have to engage in further discussions on the City providing more funds. Because of these unknowns, it is important that the City and ARHA agree:**
    1. **that every effort will be made to maximize the amount of HOPE VI funds available for the off-site units; and**
    2. **that in determining the type of off-site units to be provided beyond those that can be located at the Braddock/Radford and South Reynolds sites, thorough consideration will be given to the most cost effective off-site housing options, including the acquisition of small multi-family apartment buildings.**

As stated in number recommendation "3" above, the projected finances of this project are such that it is likely that City participation of at least \$1.0 million in funding will be necessary. Financial projections done a few months ago by ARHA's financial advisors indicated an overall project shortfall of \$0.4 million, and when the City's \$0.6 million cost of purchasing the Reynolds Street site is factored in the shortfall increases to over \$1.0 million. These projections make a number of assumptions that need to be understood as estimates, as it is too early with too many unknowns to determine what exactly the shortfall would be. Variables such as the availability of tax credits, the value of the SMHD site, the cost of the 52 on-site units to be purchased, the amount of HOPE VI funds available for

the off-site units, the cost of developing and acquiring the 48 off-site units, as well as other economic and cost variables, are subject to change as the redevelopment process continues. For example, if tax credits come in \$2 million less than the \$6.3 million anticipated and if the land and other costs rise \$0.5 million, then the shortfall, and the needed City funding (which could use Housing Trust Fund, General Fund or CDBG monies) would rise to \$3.5 million. This is the amount we recommend the City commit to at this time. If the shortfall proves to be larger, then the City and ARHA would have to engage in further discussions on the amount, if any, of additional City funding. In addition, a temporary bridge loan prior to the receipt of tax credits could be as much as \$6 million. This is why the close cooperation between the City and ARHA at each stage of the process until the project is completed is important.

6. **The City and ARHA will fully cooperate and coordinate their activities and actions with each other, such as in the application for and the implementation of Low Income Housing Tax Credits, the HUD HOPE VI Revitalization Plan process, as well as other City, state or federal processes and requirements.**

City approval and sign off will be required a number of times to obtain Low Income Housing Tax Credits through the state, as well as to fulfill HUD HOPE VI, and other state and federal requirements. Mutual cooperation will be necessary for the project to be successfully implemented.

7. **The City and ARHA would work together to develop multi-year operating budget projections for the 52 on-site units and the 48 off-site units. The City will provide real estate tax relief or an equivalent financial benefit if any of the 52 on-site replacement public housing units become liable for City real property taxes and the long-term financial viability of the units requires such relief or benefit.**

Preparing a redevelopment plan for SMHD has been the major task facing the City and ARHA. However, it will also be important to prepare multi-year operating budget projections of income and expenses related to the 52 on-site and the 48 off-site units. In particular, if Low Income Tax Credits are used to finance the 52 units, then those units under Virginia law (unless amended to provide a specific exemption for this project) would be considered taxable property and subject to the City's real estate tax. ARHA would like the "City to agree to facilitate the return of any real estate taxes paid by ARHA" for these units. This request, which is intended to ensure that the 52 public housing units remain financially viable over the long term, is not unreasonable. However, long-term projections will later be needed for the City to decide for how long and in what form any tax relief or equivalent benefits from the City to ARHA should be provided in order to retain this financial viability.

8. **In the area of affordable home ownership, the City and ARHA should continue to discuss options and opportunities in providing some affordable home ownership.**

During the course of planning for the redevelopment of SMHD, the City and ARHA both have had the goal of providing some affordable home ownership opportunities both at on-site and at the Reynolds Street off-site location. As a result, a total of \$424,000 in City Housing Trust Fund monies has been previously earmarked for this purpose for what was estimated to be sufficient funds to assist 14 households. However, given the changing nature of the SMHD project and its costs, further discussions and the structuring of a specific home ownership plan will need to occur.

**FISCAL IMPACT:** As stated previously, the fiscal impact on the City, in order to close the shortfall discussed above, is at least \$1 million, with the possibility (under the above recommendations) that this fiscal impact could increase to \$3.5 million for the entire SMHD redevelopment project. These City costs could be recovered over the long term by real estate and other local taxes paid by the purchasers of the new for-sale market units at the SMHD site.

**ATTACHMENTS:**

- I. August 30, 2001 letter from ARHA to the City regarding the Redevelopment of Samuel Madden Homes (Downtown)
- II. Hypothetical 170 unit SMHD Redevelopment Design

**STAFF:**

Mark Jinks, Assistant City Manager

Jeff Farner, Urban Planner, Planning and Zoning

Angela Smith, Budget Analyst, Office of Management and Budget

## ATTACHMENT I



# Alexandria Redevelopment and Housing Authority

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Ruby J. Tucker

William M. Dearman, Chief Executive Officer

August 30, 2001

Mayor Kerry J. Donley  
City of Alexandria  
City Hall, Room 1300  
301 King Street  
Alexandria, Virginia 22314

RE: Redevelopment of Samuel Madden Homes (Downtown)

Dear Mr. Donley:

At the Work Group meeting of August 15, it was agreed that the ARHA Board of Commissioners and the City Council, formally approve certain key criteria developed as a result of our meetings. Pursuant to that agreement, we are forwarding for your use a list of criteria which we consider key to the redevelopment process and which in our opinion have been agreed upon by the Work Group. We would like to see the following language incorporated into an Agreement to be approved both by the ARHA Board of Commissioners and the City Council, such Agreement to be executed prior to the publication of a Developer Request for Qualifications.

1. RFQ on 2-block site to include the following zoning & site plan opportunities and constraints:
  - A. Rezone to a category that would permit a maximum density of 170 units.
  - B. Preference to be given to proposals that skew density to the north block.
  - C. 52 of the 100 replacement Public Housing Units (PHU's) to be located on-site (26-(2)BR and 26-(3)BR)
  - D. PHU's to be proportionately distributed throughout on-site, including unit type and location.
  - E. Minimum size of all 100 one-for-one replacement public housing units to be 1,000 square feet for 2-BR and 1,250 square feet for 3-BR.
  - F. Adherence to written City parking ordinance requirements with the agreement to utilize a definitive number of the existing street parking spaces, toward total spaces required.
  - G. On-site parking to be allocated equally to all units (by unit type).
  - H. Adherence to City's published open space ordinance requirements.
  - I. Utilize North Old Town guidelines for both blocks.

Mayor Kerry Donley

8/30/2001

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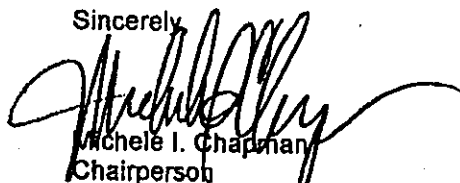
2. The RFQ will be drafted by ARHA staff and will be published subject to ARHA Board approval. City Staff and the Work Group will be given an opportunity to review and comment on the draft RFQ prior to the publication. The draft will be confidential, for internal use only by the Work Group.
3. The City and ARHA will jointly commit to specific locations and associated densities for 43 off-site replacement public housing units (24-2BR and 24-3BR) with the same minimum size requirements (See E above). All 48 off-site units to be acquired contemporaneously with the Developer RFQ process. City to temporarily advance funds necessary to acquire off-site replacement units.
4. Family Investment Center funding to be included as part of redevelopment process. The goal is to include rent for a 5-year term, for approximately 3,500-4,000 square feet of space, at a mutually agreeable location close to the Samuel Madden site and immediately adjacent to public transportation. The actual square footage to be determined based on a space program to be developed for the Center.
5. The City recognizes there will be a funding shortfall for the 100-unit replacement program primarily due to the reduced density on-site. The City will commit to funding that shortfall including funding the rehabilitation of any existing housing stock purchased for replacement housing. There should be an acknowledgement that the City funding of the shortfall is not a loan to ARHA, since there is no source of repayment.

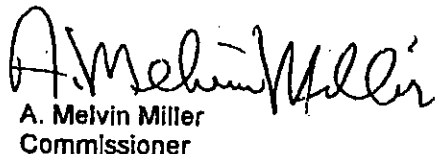
(Note: Suggested means of meeting the obligation include the City providing construction financing to leverage the tax credit equity; eliminating the turf tax on utility relocation; City acquiring sites for the off-site units)

6. City to cooperate with ARHA in Low Income Housing Tax Credit application process and HUD HOPE VI Revitalization Plan process.
7. City to agree to facilitate the return of any real estate taxes paid by ARHA on all publicly assisted housing units as previously discussed.

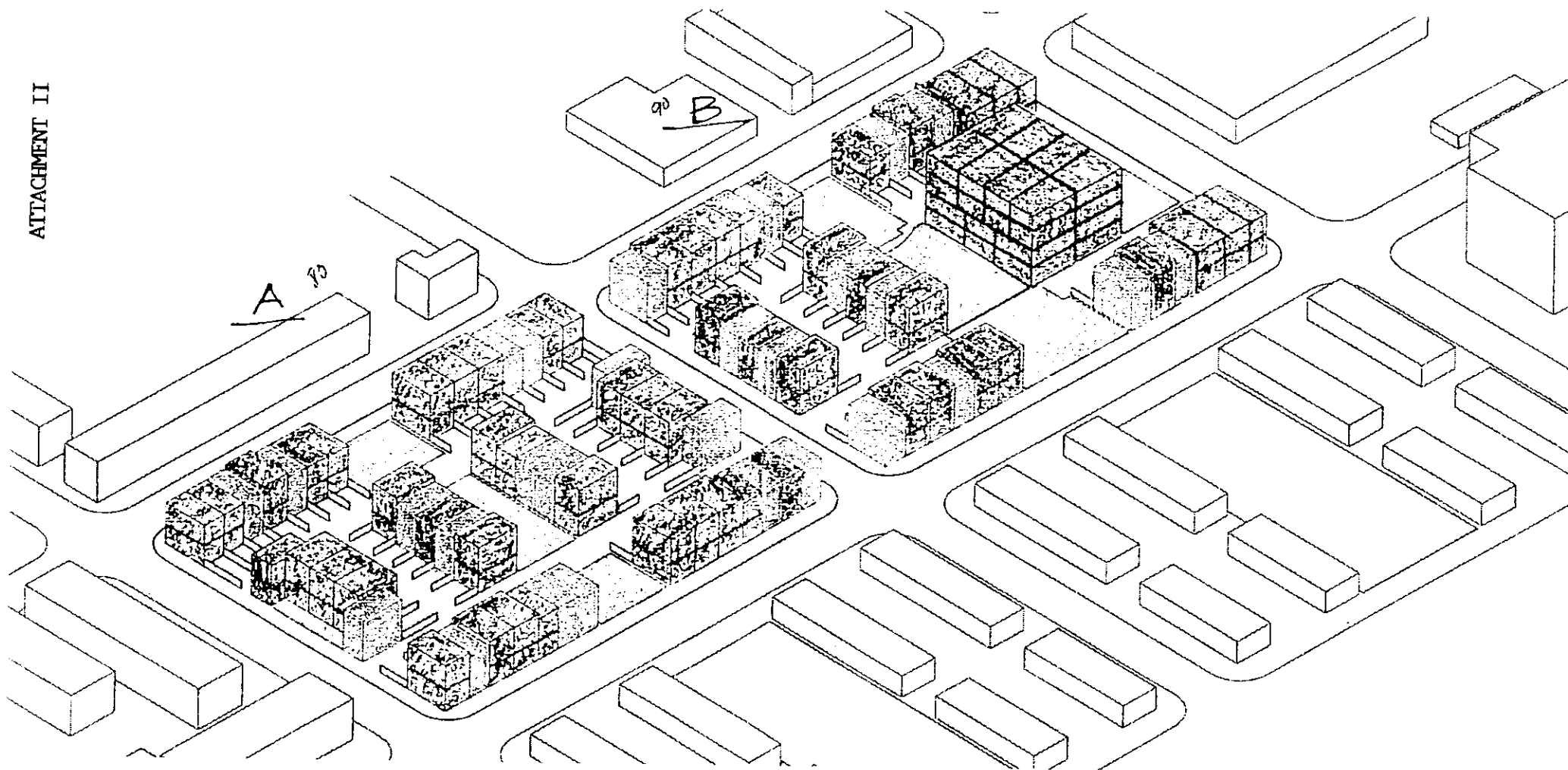
I thank you in advance for your assistance with this matter. We are optimistic about moving forward with the redevelopment.

Sincerely,

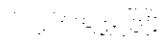
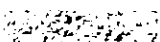

  
Michele I. Chapman  
Chairperson

  
A. Melvin Miller  
Commissioner

cc: ARHA Board of Commissioners  
William M. Dearman, ARHA C.E.O.  
Connie Lennox, ARHA Director of Development  
William D. Euille, Member City Council  
David G. Speck, Member City Council  
Donna Fossum, Planning Commission



## 170 UNITS

	28	TH
	100	2 over 2
	42	Multifamily